

Alaska Visitor Statistics Program VI Interim Visitor Volume Report

Fall/Winter 2009-10

Prepared for:

State of Alaska

*Department of Commerce, Community,
and Economic Development
Division of Economic Development*



Research-Based Consulting

Juneau
Anchorage

March 2011

Table of Contents

Key Findings	1
Methodology.....	4
Additional Traffic Data.....	5
Long-Term Trends	5
Total Traffic.....	6
Visitor/Resident Ratios.....	6

Key Findings

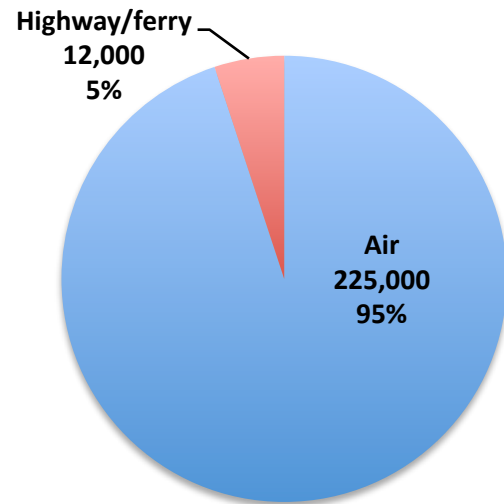
Visitor Volume, Fall/Winter 2009-10

An estimated 237,000 out-of-state visitors came to Alaska between October 2009 and April 2010 (referenced as “fall/winter”). Nearly all of these visitors (95 percent) exited the state via airplane, while 5 percent exited by highway or ferry. This pattern differs significantly from the summer visitor season, when about half of Alaska visitors exit the state via cruise ship.

Changes from 2008-09

Visitor volume was down an estimated 2.3 percent from fall/winter 2008-09, and 4.2 percent when compared to 2007-08. The drop included a 2.7 percent decrease in air visitor exits. Ferry visitor exits decreased only slightly, returning to 2007-08 levels. Highway exits were up by 9.3 percent after dropping in 2008-09.

Alaska Visitor Volume, Fall/Winter 2009-10
By Exit Mode



Total Visitors: 237,000

Visitor Volume, by Exit Mode, Fall/Winter 2007-08 to 2009-10

Exit Mode	2007-08	2008-09	2009-10	% change 08-09 to 09-10	% change 07-08 to 09-10
Air	235,900	231,300	225,000	-2.7%	-4.6%
Highway	10,100	9,700	10,600	+9.3%	+5.0%
Ferry	1,400	1,500	1,400	-6.7%	0.0%
Total	247,400	242,500	237,000	-2.3%	-4.2%

The fall/winter 2007-08 visitor season was characterized by modest declines in most indicators, reflecting the continuing nationwide economic recession. Municipality of Anchorage bed tax revenues fell 4.0 percent between the October-March periods of 2008-09 and 2009-10 (first and fourth quarters), while vehicle tax revenues fell by 4.3 percent.¹ Similarly, the Anchorage Convention and Visitors Bureau reports that convention attendance fell by 4.5 percent between fall/winter 2008-09 and 2009-10. (Anchorage statistics are particularly important indicators in the fall/winter season as Anchorage receives nearly three-quarters of all fall/winter visitors, according to data gathered in AVSP V.) Bed tax revenues for the City of Fairbanks fell by 0.9 percent between the October-April periods of 2008-09 and 2009-10.² Fairbanks received 22 percent of visitors in fall/winter 2006-07.³

The international visitor market is also of interest in the fall/winter season, because although they comprise a modest 8 percent of the total fall/winter market (according to 2006-07 Fall/Winter AVSP V data), they are

¹ Room Tax Returns, Municipality of Anchorage, www.muni.org.

² Bed Tax Information, City of Fairbanks, www.ci.fairbanks.ak.us

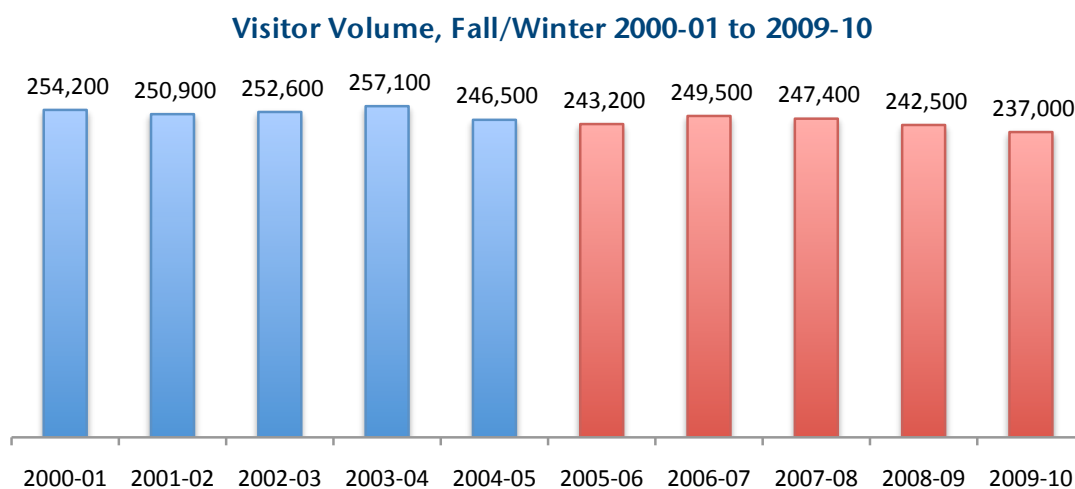
³ Room and vehicle tax statistics should be viewed in light of the fact that revenues reflect usage by both residents and visitors, and are also affected by fluctuating rates.

much more likely to be traveling for vacation/pleasure. AVSP V data shows that 47 percent of these visitors were traveling for vacation/pleasure in 2006-07, compared to just 12 percent of all visitors. One indicator of international traffic is international air exits (keeping in mind that many international visitors exit via domestic air). In 2009-10, exiting international passenger traffic declined for both China Airlines (5 percent) and Japan Airlines (by 25 percent). Total international air exits were down by 15 percent.⁴

Nationwide, domestic air enplanements rose by less than 1 percent between the October-April periods of 2008-09 and 2009-10. During the same periods, international air enplanements in the U.S. increased by 2.1 percent.

Visitor Volume Trends

The following chart shows trends in estimated visitor volume, measured by modes of entry (2000-01 to 2003-04) and exit (2004-05 to 2009-10). In 2009-10, fall/winter visitor volume dropped to its lowest level in the last decade, 8 percent below the peak volume of 2003-04.



Sources: 2000-2004 data from *Alaska Visitor Arrivals* studies (conducted by Northern Economics, Inc.); 2004-2010 data based on 2006-07 visitor/resident ratios obtained for AVSP V (conducted by McDowell Group, Inc.).

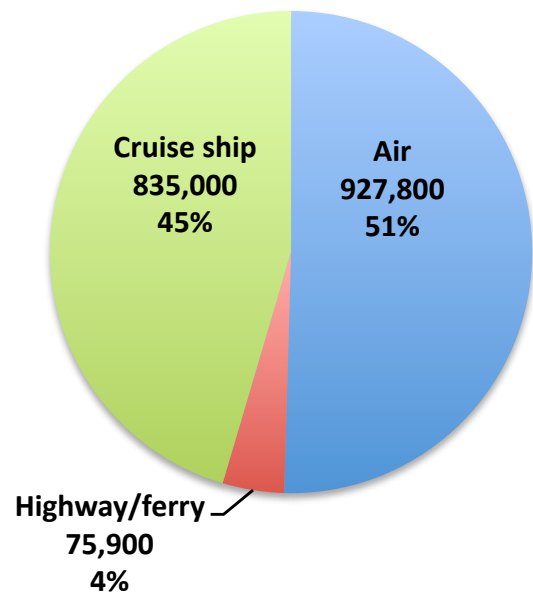
⁴ Changes in travel patterns since the 2006-07 visitor season make it beyond the scope of this report to estimate the size of the international market.

Full-Year Visitor Volume

Combining results of the Summer 2009 and Fall/Winter 2009-10 AVSP study periods, the volume of out-of-state visitors to Alaska for the 12-month period was 1,838,700 – a decrease of 5.7 percent from the previous 12-month period. The summer market (1,601,700) represented 87 percent of the annual volume; the winter market (237,000) represented 13 percent. The chart at right shows the full-year volume by exit mode. Because some cruise ship passengers exit the state by airplane, the actual number of 2009 cruise ship passengers is higher than the exiting volume (1,026,600, or 56 percent of the full-year volume).

The significant decline (6.2 percent) of visitors in summer 2009 is the primary driver of the decline in full-year visitation. It represented the first measureable drop in Alaska visitation in nearly a decade and the largest decline since the McDowell Group started tracking visitor volume in 1985. Additional information related to the summer 2009 visitor season is located in the *Summer 2009 Interim Visitor Volume Report*.

Alaska Visitor Volume, May 2009-April 2010
By Exit Mode



Total Annual Visitor Volume: 1,838,700

This report provides visitor volume estimates for Alaska between October 1, 2009 and April 30, 2010 as part of the *Alaska Visitor Statistics Program VI (AVSP)*, conducted by McDowell Group for the Alaska Department of Commerce, Community, and Economic Development (DCCED), Division of Economic Development. The last time the McDowell Group collected primary data on visitor volume was in 2006-2007 as part of *AVSP V*. The study included collection of visitor/resident ratios at airports, onboard ferries, and at border stations as visitors exited Alaska. Survey field staff tallied nearly 30,000 travelers between October 1, 2006 and April 30, 2007 to determine visitor/resident ratios by location and month. The study team applied the 2006-07 ratios to 2009-10 traffic data to arrive at the estimates in this report.

Visitor/resident ratios can and do change over time, becoming less reliable as economic and visitor industry conditions change. As part of a study of visitor industry impacts for DCCED, the McDowell Group conducted a survey of businesses that asked about their change in visitor volume between 2007-08 and 2008-09. While there were significant changes reported in the summer market, those serving the fall/winter market reported little to no change in this period. As a result, the original ratios were maintained for 2008-09, and were again used to determine 2009-10 volume.

A detailed description of the methodology employed in the visitor volume estimates can be found in the full *AVSP V* Summer and Fall/Winter reports, available at: www.dced.state.ak.us/oed/toubus/home.cfm

The AVSP VI study team would like to acknowledge the following entities for their assistance with the project.

- Alaska Travel Industry Association
- Ted Stevens Anchorage International Airport
- Fairbanks International Airport
- Alaska Airlines
- Alaska Marine Highway System
- Yukon Department of Tourism and Culture
- US Customs and Border Protection

Additional Traffic Data

Long-Term Trends

The table below shows trends in estimated visitor volume by mode of entry (2000-01 to 2003-04) and exit (2004-05 to 2009-10). Over the last decade, fall/winter travel has tended to decrease slightly, finishing at 7 percent below 2000-01 levels. Highway volume has seen the biggest drop since 2000-01 at 24 percent, while air exits are down 6 percent. Ferry volume (which represents less than 1 percent of all fall/winter volume) has stayed relatively flat over the years.

Trends in Fall/Winter Visitor Volume, By Entry/Exit Mode, 2000-01 to 2009-10

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Air	238,700	235,500	237,100	241,500	234,100	231,800	237,600	235,900	231,300	225,000
Highway	14,000	13,800	13,900	13,900	10,800	9,900	10,300	10,100	9,700	10,600
Ferry	1,500	1,600	1,600	1,700	1,600	1,500	1,600	1,400	1,500	1,400
Total	254,200	250,900	252,600	257,100	246,500	243,200	249,500	247,400	242,500	237,000
% change	n/a	-1.3%	+0.7%	+1.8%	-4.1%	-1.3%	+2.6%	-0.8%	-2.0%	-2.3%

Note: 2000-01 to 2003-04 data based on entry mode; 2004-05 to 2009-10 data based on exit mode.

Sources: 2000-01 to 2003-04 data from *Alaska Visitor Arrivals* studies (conducted by Northern Economics, Inc.); 2004-05 to 2009-10 data based on 2006-07 visitor/resident ratios obtained for AVSP V (conducted by McDowell Group, Inc.).

The table below shows trends in estimated visitor volume for the 12-month period between May and April. Full-year volume started off the decade at 1.45 million, peaked in 2007-08 at 1.96 million, and ended at 1.84 million after two years of declines – but still 26 percent above 2001-02 levels.

Trends in Full-Year Visitor Volume, By Entry/Exit Mode, 2001-02 to 2009-10

Entry/Exit	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Air	824,400	831,400	834,400	869,700	1,018,500	1,033,500	1,047,200	1,031,900	927,800
Cruise ship	510,000	581,000	620,900	712,400	761,100	758,100	827,800	836,500	835,000
Highway	100,500	96,800	94,300	94,000	82,000	76,100	74,400	69,600	65,800
Ferry	18,800	18,400	17,600	17,800	13,600	13,300	12,100	11,900	10,100
Total	1,453,700	1,527,600	1,567,200	1,693,900	1,875,200	1,881,000	1,961,500	1,949,900	1,838,700
% change	n/a	+5.1%	+2.6%	+8.1%	+10.7%	+0.3%	+4.3%	-0.6%	-5.7%

Notes: 2001-02 to 2004-05 data based on entry mode; 2005-06 to 2009-10 data based on exit mode.

The 2000-01 period is not included because there was no Summer 2000 visitor volume estimate.

Sources: 2001-02 to 2004-05 data from *Alaska Visitor Arrivals* studies (conducted by Northern Economics, Inc.); 2005-06 to 2009-10 data based on 2006-07 visitor/resident ratios obtained for AVSP V (conducted by McDowell Group, Inc.).

Total Traffic

“Total traffic” refers to the number of people exiting Alaska during the study period, including both Alaska residents and out-of-state visitors. These figures include passengers onboard planes exiting the state; passengers in vehicles crossing from Alaska to the Yukon on three highways (the Top of the World Highway is closed in fall/winter); and passengers onboard Alaska Marine Highway vessels sailing from Alaska to Prince Rupert and Bellingham.

Total Traffic, by Exit Mode, Fall/Winter 2009-10

Exit Mode	Total Traffic
Air	697,700
Highway	43,700
Ferry	6,400
Total	747,800

Visitor/Resident Ratios

The following table shows the percentage of traffic for each exit mode that was out-of-state visitors in fall/winter 2009-10. These ratios are a composite of ratios collected by location, on a monthly basis. Because they were applied to traffic data on a monthly and by-location basis, applying them to overall traffic will not yield the same results.

It is important to note that the highway ratio refers to highway travelers who are exiting the state for the final time on their trip. This eliminates the possibility of double-counting visitors who exit the state twice – for example, ferry passengers who exit the state at Beaver Creek, then re-enter at Haines to board a ferry.

**Visitor/Resident Ratios, by Mode
Fall/Winter 2009-10**

Exit Mode	Percentage Visitors
Air	32.3%
Highway ¹	24.3%
Ferry	22.3%
Total	31.7%

¹ The highway ratio refers to “last-exit” visitors: not planning to re-enter Alaska on the same trip.